

**Hidden Splendor Resources
Mid State Services
Horizon Mine
3266 South 125 West, Price, Utah 84501
Phone: (435) 636-0820 – Fax: (435) 636-0817**

November 27, 2007

Ms. Pamela Grubaugh-Littig
Utah Coal Program
Utah Division of Oil, Gas and Mining
1594 West North Temple – Suite 1210
Box 145801
Salt Lake City, UT 84114-5801

Income
0/007/0020
#2884

Dear Pam:

As I'm sure you are aware, recently, the Consumers Road was paved from the Wildcat Loadout to the Horizon Mine site. This project was made possible by the Carbon County Special Service and Transportation District securing funding from the Community Impact Board, with additional support from the Carbon County Commission. Nielsen Construction was awarded the contract for this project.

As the project was nearing completion, Hidden Splendor Resources, Inc. (HSR), contracted with Nielsen Construction to apply blacktop to the approach and parking areas at the Horizon Mine. These areas are shown with the red outline on the enclosed map, "Plate 3-1, Surface Facilities". The applied material equates to approximately 258 cubic yards of blacktop. HSR feels that this will improve sediment and runoff control at the mine site.

As you are also aware, Hidden Splendor Resources, Inc., filed for Chapter 11 Bankruptcy protection on October 15, 2007. Because the road project was nearing completion, HSR felt that we had a very narrow window to make these improvements, in that, the equipment was already mobilized, resulting in a greatly reduced cost to have this done now, rather than at a later date, which would have at least tripled the cost.

It is HSR's contention that the current Reclamation Bond is sufficient to cover the reclamation of this material since no additional equipment or resources would be required. Additionally, HSR feels that the existing ditches are sufficient in size to handle any increase in runoff that might occur.

Please feel free to contact me at 435-636-0820 if you have any questions or comments.

Sincerely,

Kit Pappas

Kit Pappas
Manager of Engineering and Environmental Services

Encl:

Cc: Karl Housekeeper w/ Encl.

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DIV. OF OIL, GAS & MINING

File in: *C0070020, 2007, Income*
Refer to:
☐ Confidential
☐ Shelf
☒ Expandable
Date *11-27-07* For additional information

From: Pam Grubaugh-Littig
To: Kit Pappas
Date: 11/30/2007 10:12 AM
Subject: Mystery Map

Hi, Kit - We received Plate 3-1 yesterday without any information associated with it... Did you submit that yesterday? If you did, would you please e-mail me the letter and I get it in the system or forward to the staff who needs it...

How are things going?

Thanks.